

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION )  
OF IDAHO POWER COMPANY FOR )  
AUTHORITY TO INCREASE ITS RATES ) CASE NO. IPC-E-03-  
13  
AND CHARGES FOR ELECTRIC SERVICE )  
TO ELECTRIC CUSTOMERS IN THE STATE )  
OF IDAHO. )  
\_\_\_\_\_)

IDAHO POWER COMPANY

DIRECT TESTIMONY

OF

THERESA DRAKE

1 Q. Please state your name and business address.

2 A. My name is Theresa Drake. My business  
3 address is 1221 West Idaho Street, Boise, Idaho.

4 Q. By whom are you employed and in what  
5 capacity?

6 A. I am employed by Idaho Power Company as a  
7 Senior Pricing Analyst.

8 Q. Please describe your educational background  
9 and work experience.

10 A. In May of 1990 I received Bachelor of  
11 Science Degree in Marketing with emphasis in Finance from  
12 Jacksonville State University in Jacksonville, Alabama.  
13 From June 1990 through February 1993, I was employed by the  
14 Federal Reserve Bank in Birmingham, Alabama. During  
15 February 1993, I relocated to Boise and was employed by  
16 West One Bank managing the Marketing Customer Information  
17 System, researching customer purchase behavior and  
18 designing marketing campaigns around customers' needs. I  
19 also formed a marketing database consulting firm prior to  
20 becoming employed by Idaho Power. I joined Idaho Power in  
21 January 1997 as a Pricing Analyst. In July 2001 my  
22 position evolved into a Senior Pricing Analyst. My duties

1 as a Senior Pricing Analyst include involvement in  
2 preparing the cost-of-service studies, unbundling studies,  
3 development of the Company's tariffs, and managing the  
4 Company's Green Power Program. I also act as a regulatory  
5 liaison for customer service related issues.

6 Q. What is the purpose of your testimony?

7 A. My testimony addresses proposed updates and  
8 changes to several of the Company's service provisions,  
9 including numbering and organization changes and changes to  
10 non-recurring charges, such as service establishment,  
11 reconnection, returned checks and customer deposits.

12 Q. Have you prepared any exhibits?

13 A. Yes, Exhibit No. 50 explains how the  
14 proposed charges relating to service establishment and  
15 reconnection were derived.

16 Q. Do you intend to discuss every proposed  
17 change to the tariff at this time?

18 A. No. While a few of the changes I discuss  
19 are substantive in nature, a significant number of changes  
20 are "form" or "housekeeping" in nature only and do not  
21 change the scope, effect or application of the various  
22 tariffs. The specific changes to the service provisions I

1 address are detailed in Ms. Brilz's Exhibit No. 48, pages 1  
2 through 52. These revisions are shown in legislative  
3 format in Exhibit No. 48 so that parties reviewing them  
4 will be able to readily identify the proposed changes.

5 Q. Let's begin with the changes being proposed  
6 to the numbering of the Company's General Rules and  
7 Regulations. Would you please explain the nature of the  
8 changes and why the Company is proposing them?

9 A. First, on pages 1 through 52 of Ms. Brilz's  
10 Exhibit No. 48, the Rules and Regulations have been more  
11 specifically separated by category than in the previous  
12 tariff. The change in format is intended to make specific  
13 topics easier to locate by creating more categories in the  
14 Rules and Regulations.

15 Second, Rule F is now labeled, "Service  
16 Establishment and Discontinuance" and clearly identifies  
17 activities involving initiating and ceasing service.  
18 Billing-related items have been moved to Rule G, formerly  
19 "Corrected Billing", which is now labeled "Billings".  
20 Deposit provisions have been assigned a separate rule,  
21 Rule L.

22 Q. What are the substantive changes proposed to

1 the Company's "General Rules, Regulations, and Rates"?

2 A. The current Account Processing Charge,  
3 Reconnect Fee, and Field Collection Charge have been  
4 updated to reflect current costs. In addition, the  
5 Company has elected to adopt deposit criteria for large  
6 commercial and special contract customers as provided in  
7 IDAPA 31.21.01 Rule 601.

8 Q. What provisions are included under Rule F,  
9 Service Establishment and Discontinuance?

10 A. Requirements described in Rule F include  
11 Service Establishment, Service Reconnection, Discontinuance  
12 of Service, Termination Practices, and Field Collection.

13 Q. Please describe Service Establishment.

14 A. Service establishment describes the  
15 condition where a customer desires to activate an account  
16 with the Company and the service is currently energized.  
17 When a customer contacts the Company and requests service  
18 at a specified service point, the Company will determine if  
19 the requested service point is currently energized. If the  
20 service point is energized, the Company performs the work  
21 necessary to complete the transaction; the customer's name,  
22 address, and other pertinent information are entered or

1 updated into the Customer Information System and the  
2 Company dispatches personnel to the service point to  
3 collect an initial meter read. The proposed Service  
4 Establishment Charge reflects the costs of performing these  
5 tasks.

6 Q. Does the Company currently have a charge  
7 associated with establishing service?

8 A. Yes. The Account Initiation Charge is  
9 currently assessed. However, no distinction is currently  
10 made regarding whether the line is currently energized or  
11 not.

12 Q. Will the Service Establishment Charge apply  
13 if a customer requests service establishment at a non-  
14 metered service point?

15 A. The Service Establishment Charge is not  
16 applicable to non-metered service points. Non-metered  
17 service points such as cable TV power supplies, telephone  
18 booths, street lighting, etc., are unique in respect to the  
19 degree of account establishment work, as described above,  
20 the Company may perform. In particular, no meter reading  
21 is required. Therefore, the costs to establish service for  
22 non-metered accounts are recovered through the standard

1 service schedule charges.

2 Q. What if the customer requests service at a  
3 location where the service line is not currently energized?

4 A. Service Reconnection describes the condition  
5 where service was once energized, has been disconnected,  
6 and is presently requested by the customer to be re-  
7 energized. The Service Reconnection Charge reflects the  
8 costs of tasks performed to physically reconnect the  
9 service and update the pertinent information in the  
10 Customer Information System.

11 Q. Will a customer be charged both the Service  
12 Establishment Charge and the Service Reconnection Charge?

13 A. No. The Service Reconnection Charge  
14 includes the costs associated with the tasks of service  
15 establishment plus the costs of physically reconnecting a  
16 service line.

17 Q. What are the fees associated with these  
18 transactions?

19 A. The Service Establishment Charge as detailed  
20 on page 140 of Ms. Brilz's Exhibit No. 48, is \$20 for all  
21 metered service points. The Service Reconnection Charge,  
22 also detailed on page 142 of Exhibit No. 48, varies with

1 the skill level required of the employee dispatched to  
2 perform the work. The skill level required is determined  
3 by the line voltage typically serving the customer class.  
4 Customers taking service under Schedules 1, 7, and 9  
5 requesting reconnection during normal business hours will  
6 be charged \$20. Customers taking service under Schedules  
7 15, 19, 24, 25, 40, 41, and 42 requesting reconnection  
8 during normal business hours will be charged \$40. The  
9 higher fee for the latter schedules represents the required  
10 expertise of the dispatched employee to work with the  
11 typically higher voltage at the point where service is  
12 reconnected. Exhibit No. 50, page 2, details the  
13 derivation of these charges.

14 Q. Can reconnection service be obtained outside  
15 of normal business hours?

16 A. Yes. The charges by rate schedule outlined  
17 on page 142 of Exhibit No. 48 include two additional block-  
18 hours and associated charges. The block-hour structure is  
19 the same as that currently in place. However the charges  
20 have been updated to reflect current costs.

21 Q. Please explain why the Company proposes the  
22 block-hour charges.



1           A.       As detailed on Exhibit No. 50, page 2, the  
2 charge has been updated in two ways; first, to delineate by  
3 the type of skilled employee required to perform the work  
4 and second, to recognize the higher cost to serve those  
5 customer requests for reconnection after normal working  
6 hours due to the overtime hourly rate paid to employees.  
7 In most cases, during the third block-hours of 9:01 p.m. to  
8 7:29 a.m., two employees are dispatched for safety reasons.  
9 The proposed charges reflect the costs to serve the  
10 customer requests based on the time the customer requests  
11 service reconnection.

12           Q.       In looking at the second and third block-  
13 hours for reconnection of customers taking service under  
14 Schedules 1, 7, and 9 on page 1 of Exhibit No. 50, the  
15 current costs are slightly lower than the charges currently  
16 approved. Please explain why you are proposing the charges  
17 remain unchanged.

18           A.       Service provided during the after-hour time  
19 frames poses safety concerns for our employees. The  
20 Company proposes keeping the charges at their current level  
21 to encourage Reconnection Service during the lower-priced  
22 first block-hours.

1           Q.       Are any changes made to the Termination  
2 Practices section?

3           A.       No.   The Termination of Service provision  
4 remains unchanged from our current tariff.   The provision  
5 states the termination practices as provided by the IPUC  
6 Utility Customer Rules and Regulations will be enforced.

7           Q.       What updates have been made to the Field  
8 Collection provision?

9           A.       The Field Collection Charge is designed to  
10 recover the costs incurred when Company personnel are  
11 dispatched to terminate service and the Customer elects to  
12 make a payment or payment arrangement to the dispatched  
13 personnel to avoid termination. If the customer chooses not  
14 to pay the necessary amount to avoid termination, the  
15 dispatched Company personnel will perform the termination  
16 of service at no charge. The Field Collection Charge as  
17 detailed on page 1 of Exhibit No. 50, has been updated to  
18 account for the variation of skill level required of the  
19 employee dispatched to perform the work. The skill level  
20 required is determined by the line voltage typically  
21 serving the customer class.

22          Q.       In his testimony on page 14, Mr. Obenchain

1 refers to an adjustment to other revenue to recognize  
2 additional revenue to be collected from the Service  
3 Establishment Charge, Service Reconnection Charge, and the  
4 Field Collection Charge. Would you please explain the  
5 basis for this adjustment?

6 A. Yes. Page 3 of Exhibit No. 50 details the  
7 difference in revenues from the current charges to the  
8 proposed charges.

9 Q. Other than consolidating the billing related  
10 items into one rule, are there any other changes to Rule G,  
11 Billings?

12 A. Yes. The Company is proposing to include a  
13 description of its policy dealing with checks or other  
14 payments returned non-paid by a customer's financial  
15 institution. The Company has an established returned check  
16 policy operated in conformance with the provisions of the  
17 Idaho Code, and includes notification of the applicable  
18 charge to customers on the monthly billing statement. By  
19 listing the Returned Check Charge within the Company's  
20 Rules and Regulations, the provision is clarified for  
21 customers and is easier to reference for PUC staff and  
22 Company employees. The corresponding Returned Check Charge

1 of \$20 is listed in Schedule 66 (page 142 of Exhibit No.  
2 48).

3 Q. You mentioned earlier a new Rule L was  
4 developed to address customer deposits. In addition to  
5 creating a new Rule for deposits, has the criteria for  
6 deposits changed?

7 A. Rule L was created to isolate and identify  
8 deposit provisions for residential, small commercial, large  
9 commercial, and special contract customers. Other than  
10 moving the language from Rule F to Rule L, the provision  
11 for residential and small commercial customers has not  
12 changed. However, the Company has elected to establish  
13 deposit criteria for large commercial customers and special  
14 contract customers as provided under IDAPA 31.21.01 Rule  
15 601.

16 Q. Briefly describe the deposit criteria for  
17 existing large commercial and special contract customers.

18 A. For existing commercial and special contract  
19 customers, a deposit may be required when the customer  
20 fails to make a payment on the due date or the current  
21 status of the customer's business does not pass an  
22 objective credit screen.

1           Q.       What are the deposit condition criteria for  
2 new large commercial and special contract applicants?

3           A.       A deposit may be required for service if the  
4 applicant is applying for service for the first time, or  
5 the nature of the applicant's business is speculative or is  
6 the type of business that is subject to a high incidence of  
7 failure, or if the applicant has an outstanding prior  
8 service account debt with the Company.

9           Q.       What is the proposed deposit amount?

10          A.       The requested deposit amount will not exceed  
11 two times the customer's actual or the applicant's  
12 estimated highest monthly bill and is payable in two  
13 installments.

14          Q.       Why is the Company now seeking to implement  
15 the deposit provision for large commercial and special  
16 contract customers?

17          A.       In recent years, the Company has become  
18 increasingly exposed to the effects of certain businesses  
19 falling delinquent on paying their accounts and to an  
20 increased number of businesses claiming bankruptcy. Some  
21 instances have occurred where an existing business customer  
22 who has historically made consistent timely payments has

1 filed for bankruptcy and ceased business. Even one month's  
2 worth of unpaid billing can amount to a sizable impact on  
3 uncollectible amounts. For these reasons, the Company  
4 plans to implement deposit criteria for large commercial  
5 and special contract customers.

6 Q. Has the Commission previously approved  
7 similar deposit provisions for any other utility serving  
8 customers in Idaho?

9 A. Yes. Utah Power and Light has a similar  
10 Commission approved provision listed under Sheet No. 9R.1-2  
11 in the UP&L tariff.

12 Q. Are there any other updates to non-recurring  
13 charges?

14 A. Yes. "Fractional Period Minimum Billings"  
15 specifies the minimum bill requirements for each service  
16 schedule when service is taken for a partial month. The  
17 minimum bill amounts have been updated to be more  
18 reflective of the costs associated with bill preparation.  
19 While the minimum bill amounts do not equal the total cost  
20 of preparing, producing, and delivering a bill and  
21 recording subsequent payments, they reflect a portion of  
22 those costs associated with providing service. The

1 specific minimum bill amounts for each service schedule are  
2 detailed on page 143 of Exhibit No. 48.

3 Q. Please explain the proposed change to Rule  
4 B.

5 A. Rule B, Definitions, includes clarification  
6 of what is considered to be a normal Billing Period. While  
7 a typical billing period is 30 days, the normal billing  
8 period is considered to be 27-33 days.

9 Q. Is 27-33 days new for a normal billing  
10 period?

11 A. No. The Company has a long standing  
12 practice of considering a normal billing period to be 27-33  
13 days. The Company proposes to add language to the  
14 definition so that this practice is explicitly stated.

15 Q. Is there any other change proposed to Rule  
16 B?

17 A. Yes. The definition of Connected Load  
18 currently included in Rule B is pertinent only to Schedule  
19 72. Therefore, the definition is moved to Schedule 72.

20 Q. Are any changes proposed to Rule D,  
21 Metering?

22 A. The only proposed update is to state that

1 the Company has the right to modify meter reading schedules  
2 as required by changing conditions. Certain events can  
3 trigger a meter reading schedule to be modified, such as  
4 holidays or the alignment of meter read routes for better  
5 operating efficiencies. The update to Rule D provides  
6 clarification to customers.

7 Q. Does this conclude your testimony?

8 A. Yes.